



External Quality Control Review

of the
Office of the City Auditor
City and County of Honolulu

Conducted in accordance with guidelines of the
**Association of Local Government
Auditors**

for the period January 1, 2005, through June 30,
2006



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August 23, 2006

Leslie I. Tanaka, CPA
City Auditor
City and County of Honolulu
1000 Uluohia Street, Suite 120
Kapolei, Hawaii 96707

Dear Mr. Tanaka:

We have completed a peer review of the Office of the City Auditor for the period January 1, 2005, to June 30, 2006. In conducting our review, we followed the standards and guidelines contained in the Peer Review Guide published in May 2004, by the Association of Local Government Auditors.

We reviewed your organization's internal quality control system and conducted tests in order to determine whether your internal quality control system operated to provide reasonable assurance of compliance with Government Auditing Standards issued by the Comptroller General of the United States. Due to variances in individual performance and judgment, compliance does not imply adherence to standards in every case, but does imply adherence in most situations.

Based on the results of our review, it is our opinion that the Office of the City Auditor's internal quality control system was suitably designed and operating effectively to provide reasonable assurance of compliance with Government Auditing Standards for audits and attestation engagements during the period January 1, 2005, to June 30, 2006.

We have prepared a separate letter offering additional observations stemming from our review.

Sincerely,

Amanda Noble, CIA, CISA
City of Atlanta

Bill Greene, CFE
City of Phoenix



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August 23, 2006

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Leslie I. Tanaka, CPA
City Auditor
City and County of Honolulu
1000 Uluohia Street, Suite 120
Kapolei, Hawaii 96707

Dear Mr. Tanaka:

We have completed a peer review of the Office of the City Auditor for the period January 1, 2005, to June 30, 2006, and issued our report thereon dated August 23, 2006. We are issuing this companion letter to offer additional observations stemming from our peer review.

We commend you and your staff for developing a very solid framework for conducting audits since the office was established in 2003. Starting a new audit function is challenging and your achievements are remarkable. We'd particularly like to recognize the following areas in which we believe your office excels:

- Your office benefits from strong protections to independence provided for in the Revised Charter of the City and County of Honolulu 2003 Supplement and your internal procedures.
- Your office has addressed issues important to the city and county government in an understandable way.
- Staff is well qualified and experienced.
- Internal procedures provide effective project management, particularly demonstrated in scoping statements and staff's ability to meet target deadlines.
- Internal procedures provide excellent guidance for staff in following government auditing standards.

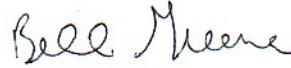
Government Auditing Standards provide audit organizations flexibility in determining the nature and extent of their internal quality control systems. Our review found your quality control system was functioning as intended. Therefore, we make no formal recommendations for improvement, but offered verbal suggestions to elicit more structured responses from management on audit recommendations and streamline audit workpaper files.

We'd like to thank you and your staff for the hospitality and cooperation extended to us during our review. We enjoyed our stay.

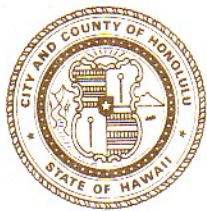
Sincerely,



Amanda Noble, CIA, CISA
City of Atlanta



Bill Greene, CFE
City of Phoenix



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LESLIE I. TANAKA, CPA
CITY AUDITOR

August 23, 2006

Amanda Noble
Peer Review Team Leader
Deputy City Auditor
City of Atlanta
Office of the City Auditor
68 Mitchell Street, SW, Suite 12100
Atlanta, Georgia 30303

Dear Ms. Noble:

We have read the peer review report dated August 23, 2006. We are pleased that you reached a "clean opinion" on the quality control system of the Office of the City Auditor, City and County of Honolulu, and found that our office conducts its work in full compliance with generally accepted government auditing standards. In addition, we are pleased that your review found that our quality control system was functioning as intended, and made no formal recommendations for improvement.

We appreciate your thoughtful comments about the areas where you found our office to excel and your verbal suggestions to further enhance our operations.

I wish to extend my personal thanks to you and Bill Greene, Deputy City Auditor, City of Phoenix, for your participation in the peer review process and for taking the time to review our operations. We will share your report with our City Council, and make it available to the public on our website.

Sincerely,

A handwritten signature in dark ink, appearing to read "Leslie I. Tanaka". The signature is written in a cursive, flowing style.

Leslie I. Tanaka, CPA
City Auditor